

TRANSCRIPT

STANDING COMMITTEE ON LEGAL AND SOCIAL ISSUES

Inquiry into the public housing renewal program

Melbourne — 10 November 2017

Members

Ms Margaret Fitzherbert — Chair

Ms Nina Springle — Deputy Chair

Mr Joshua Morris

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Mrs Inga Peulich

Mr Adem Somyurek

Ms Jaclyn Symes

Participating Members

Ms Georgie Crozier

Mr Nazih Elasmr

Ms Colleen Hartland

Mr Gordon Rich-Phillips

Witnesses

Ms Lesley Dredge, Chief Executive Officer, and

Ms Haleh Homaei, Chair, Community Housing Industry Association (Victoria).

The CHAIR — Welcome everybody here in the audience, as well as our new witnesses. Thank you very much for coming along today to this public hearing of the Legal and Social Issues Committee. All evidence taken at this hearing is protected by parliamentary privilege. Therefore you are protected against any action for what you say here today, but if you go outside and repeat the same things those comments may not be protected by this privilege. Proceedings are being recorded. I invite you to address the committee. We are asking people to keep their comments if they can to 5 or 10 minutes, and after that we will have questions. We are in your hands.

Ms DREDGE — Great, thank you. We should start with introductions ourselves. I am Lesley Dredge. I am the CEO of the Community Housing Industry Association (Victoria).

Ms HOMA EI — I am Haleh Homaei. I am the CEO of the Port Phillip Housing Association. I am also the chair of the Community Housing Industry Association (Victoria).

The CHAIR — Thank you for coming today.

Ms DREDGE — I thought I would start out by talking a little bit about, first off, who we are, CHIA Vic, as we are known, and also a little bit about the community housing industry, in case you are not fully aware of what we do and why we have got a particular interest in this. We are the peak organisation in this state for community housing. We represent all of the registered housing associations and providers. So when we speak hopefully we reflect the views of our members quite fully.

Our members have over 19 000 units of stock that is under management. Half of it, roughly, they own; the other half is leased from the state government. Community housing has really been earmarked as being the delivery vehicle for growth in social housing in this state. When you look at *Homes for Victorians*, the policy of this government, most of these strategies would be rolled out through community housing, and that is reflected across the country too. Community housing is seen to be where social housing should be developed — in that forum rather than within public housing itself.

I know that everybody in this room would be really very aware of the housing problems, not only in Victoria but across Australia. But to talk a little bit in terms of social housing, I think it is staggering when you really try and digest the figures. We got Professor Terry Burke from Swinburne University to do some modelling for us last year. Victoria has got the lowest number of social housing units in the country — about 3.4 per cent of our housing stock is social housing. We are already coming off a low base as the national average is 5 per cent. Just to keep it at that low what we would argue would be an unacceptable level, we need to develop 1800 units a year.

If you think, ‘Well, we want to go better than 3.4 per cent; we want to move up the ladder a bit’, then to house the people that are eligible to be on the priority section of the waiting list — so if you think about that, the priority is low income plus something else is going on in their lives — then we need to develop 3000 units of stock. So the situation is critical. I think we need to look at the initiatives within *Homes for Victorians* and the public housing redevelopments through that lens, where we are in a critical situation and we need more stock.

These particular redevelopments are in well-located areas, there is a fair amount of land available, the yields have the potential to be quite high and we believe that it would be almost criminal not to redevelop these sites, not only because we need more stock but also because the stock that is on there currently is in poor condition and is not something that we think is acceptable in a First World country like this — to have people living in some of those buildings. So we are fully supportive of the redevelopments that have been announced in the package. I guess that we would have questions around how they should be done, but certainly that they should be done, we believe, is essential, and we compliment the government for being ambitious in looking at doing so many at the one time, because when you look at what has happened in the past with public housing redevelopments at scale, we have only done a few over the years, and then to bite off this large chunk now is a very ambitious thing.

I guess there are a couple of areas where we would have issue with the program. While we are fully supportive of it, we would share some people’s concerns about an uplift of 10 per cent. We have not got access to all of the financial modelling around the project, so we cannot actually form a really informed point of view to say how many should be delivered on those sites, but we believe it can be more than that and that we can deliver more. So we start from that point, that we think it should be more.

We also think — and this is going to sound remarkably self-interested — that community housing should be a key player in these redevelopments, and that is for a number of reasons. Community housing, as its name implies, operates as part of a community. We are not a developer who moves in, who has got a property play and then moves on. When we are involved in redeveloping a site, we are there for the long haul. We are going to manage those tenancies, so we have a real interest in ensuring the fabric of the building is good, the designs are good, that we consulted well with all of the residents who are going to leave and then come back, that the local residents from around the community are on board and how they will talk about a proposal or a project that they did and what that experience was like.

We think we have got a lot to offer in that community engagement area, but we have also got a lot to offer from a financial point of view. We are a not-for-profit organisation, so automatically we do not pay GST, we do not have to make developer's margins and we attract commonwealth rental assistance. When you start adding up these additional inputs that we can bring, we can — and I have got to round it out because every project is going to be different — end up being something around 30 per cent cheaper. If we are actually good at community engagement, if we are good at tenancy management and we are financially cheaper, then it seems to us pretty well like a no-brainer that community housing should be at the front of some of these proposals. Now, we might not be in the position to be the developer on all of them, but certainly we should be a lead player, we believe, and we think that would be in the interests of the government and Victorian community.

I brought this along because it is hot off the press. That is why I have put 'preliminary findings' across it. It is a project that we did with SGS Economics and Planning. We wanted to try and understand what *Homes for Victorians* would actually mean, so for our larger members, what would these various initiatives give them and how would you actually get a project up? If you are aware of the initiatives within *Homes for Victorians*, there are loan guarantees, there is a cheaper loan through Treasury, there is the Social Housing Growth Fund that can put in a grant or a subsidy over time and there are stock transfers. You have got all of these various elements. How do you bring them together and what do they mean? The consultants said, 'Can we take this a step further? Can we compare that to if a private developer was going to be developing the units and what the difference would be?'. This is what this paper tries to show. Can I just pass these around somehow?

The CHAIR — We can have someone come over and do that.

Ms DREDGE — There is a bigger report that we will be releasing soon, but as I say this is a preliminary one and, to be honest, written in a way that is not accessible; you know, it is written by economists rather than others. But what it demonstrates is that, funnily enough, community housing can actually provide a lot more, so for every \$1 million that the government might put into a proposal we can deliver 4.42 houses compared to 2.9 from the private sector, and that is us owning them forever and a day. So the modelling for private developers is that they would keep them and let them out for 20 years; but we keep them forever, so we have still got that asset. Sure you have to maintain it and so on and upgrade it, but the asset remains in our hands, but for the private investor model this is really thinking through some of those build-and-rent sorts of models that are starting now. So we are a lot cheaper.

When you have time just sitting around trying to understand the table on the back you will see that really breaks down these figures and shows how the various elements of *Homes for Victorians* might assist. They are not big initiatives really — they do not change the structures a lot — but I thought that would be just an interesting input for you. It was not why we did the project, thinking about the public housing redevelopments, but it certainly does relate to those.

Ms CROZIER — Thank you very much for being before us this afternoon and giving us a greater understanding of the needs. You made the point in your preliminary findings:

... for every \$1 million of funding provided by the government, housing associations could on average deliver an additional 4.42 houses for rent compared to only 2.99 houses by private investors.

Now, you did say that was modelling by SGS Economics and Planning, but could you describe to me where those houses are, what they look like and who is that house going to cater for — is it a two-bedroom, three-bedroom, one-bedroom?

Ms DREDGE — On both models they are exactly the same, so the ones being developed by housing associations were the same as the private sector so that we could compare. There was a mixture in the way they

actually did their modelling, so they were one and two-bedroom and they were medium-rise — they were not standalone houses — because really most of the development we are doing would be apartments.

Ms CROZIER — Sure. It is my understanding that for some of your tenants they might have long-term tenancies and they have very good records, but could you explain to me how the government's priority waiting list plays into how you operate and how you work through those needs?

Ms DREDGE — Sure. There is a new waiting list, the Victorian Housing Register, that is being implemented now and we are really supportive of that initiative because it brings it all together. It is really a one-stop shop so that, if people are looking for some form of subsidised and supported housing, they only have to go to this one register. Up until now they would have to go there to apply for public housing and then go to the various community housing organisations, which is inefficient and difficult for tenants and for applicants. That has now been brought together. We are not onboarded, as they would call it, yet. Community housing is not in it yet, and hopefully will be soon.

Ms CROZIER — What is the delay?

Ms DREDGE — The delay is associated with the allocations framework. What the government did was put all these initiatives as part of *Homes for Victorians*, and to get access to those initiatives housing organisations have to, what they call, opt in to the Victorian Housing Register, and when you opt in you have to agree to an allocations framework. I think that is probably what you are implying. That allocations framework requires our housing organisations to house 75 per cent of people from the priority part of that waiting list, and that is a change for some of our members.

Ms CROZIER — Yes, because it is my understanding that for some of those on the priority list, they cannot get into community housing because of the long, stable tenancy that you may have with some of your tenants, and so that becomes problematic in terms of the true priority. Am I being accurate?

Ms DREDGE — I do not know whether people staying a long time would be much different in community housing compared to public housing.

Ms CROZIER — The time frames are roughly the same?

Ms DREDGE — I think we would have pretty similar sorts of throughputs. It is not something I have heard said, that there is an issue. I think probably what you might be thinking about is that we have had different arrangements over the years and they are so complex — I will not try to track them all so that you can understand them. But, for example, where our members might have put in 25 per cent of the cost of a project, then government might have said, 'Well, if it is 25 per cent you're putting in, you're going to have to service that debt, then how about you house 50 per cent that are public housing eligible and 50 per cent that are community housing eligible?' — that is a slightly higher income level, so higher rent levels to pay off that debt. Some people will say we do not house exactly the same people as public housing, and that is what you might have heard.

Ms CROZIER — I think that is exactly right; it is exactly as you have described. Because you have an obligation to repay that debt, you will have a tenant that has got a greater ability to pay that tenancy and assist in your repaying that debt. I was going to ask another question, off the back of what you have just described, about the complexity. You said, 'I won't go into the details of the complexity'. I actually think we need to understand the complexity.

Ms DREDGE — I am more than happy to do it; I just do not think you have got time now. You would need a master class to get through it.

Ms CROZIER — Well, that is part of the problem, isn't it, that it is so complex? You are saying we need a master class to understand that, so if there is that degree of complexity, is there a way to simplify that?

Ms DREDGE — I think that is where we are heading now. I think with the arrangements that have been made over the last 20 years, there have been a lot of arrangements that have been around a particular program. They all had their different rules around those programs, and that is the legacy that we have got to live with now. Going forward, and particularly with the Victorian Housing Register, things are going to be a lot clearer about that.

Ms CROZIER — Why do you say that, though? Why do you believe it will be much better going forward because of this register, when I am hearing that the priority needs are not being paid for?

Ms DREDGE — I think it is going to be a lot clearer because it will be absolutely transparent about who is housing what people, and that has got to be good.

Ms CROZIER — Sure. You just said who is —

Ms DREDGE — Yes, which organisation. So that will become publicly available.

Ms CROZIER — But who is doing the auditing about those tenants' needs and how that should be prioritised?

Ms DREDGE — The tenants' needs on the waiting list, do you mean?

Ms CROZIER — Even your tenants. Does anyone audit your tenants' needs? Does anyone do —

Ms DREDGE — We are a really highly regulated sector. All of our members have to be registered. They have quite strict guidelines that they have got to meet in a way that public housing has never had to. So I think if you are worried about accountability and meeting people's needs, we are actually probably more accountable than pretty well most sectors that I could point to.

Ms SPRINGLE — I do not want to put words in Ms Crozier's mouth, but I think possibly what she might be alluding to is, and my understanding is, that public housing tenants are, I suppose, docked a percentage of their income, whether that is their Centrelink income or their wage, and my understanding is that community housing does not have that requirement.

Ms DREDGE — Oh no, it does.

Ms HOMA EI — Absolutely.

Ms SPRINGLE — Yes, and so I guess my question to you is and the other question I have within this is: are you advocating for community housing to manage and own the allocation of these renewal programs as opposed to public housing, and if so, can you guarantee that you will be servicing some of the most disadvantaged people if it is not a percentage of the income that comes out automatically like public housing does?

Ms DREDGE — Absolutely. It is. And rents are absolutely controlled. We cannot just charge whatever we want. It is based on income.

Ms SPRINGLE — So it is this same system as public housing.

Ms DREDGE — Not exactly the same, because nothing is as easy as that in this sector. So our members would charge for social housing tenants — not for affordable housing; they are a different group of people, different product and so on. For social housing, the people that live in public housing and who also live in community housing, our members would charge 25 per cent, which is exactly the same —

Ms SPRINGLE — Of their income, yes.

Ms DREDGE — or 30 per cent. There is a variety, depending on arrangements.

Ms SPRINGLE — Is that means tested? Is that how that works?

Ms DREDGE — Their income? Yes, so really it is —

Ms SPRINGLE — Yes, so how do you determine who pays 25 and who pays 30 per cent?

Ms DREDGE — It depends on funding agreements that you have signed in the past.

Ms SPRINGLE — Okay. With government?

Ms DREDGE — With government. So it is not like you can just say, ‘Times have been a bit tough. I’d better increase it to 60 per cent’. We are not allowed to do that, and there is a really well formed and well used complaints process not only within organisations but through the housing registrar so that, if people are unhappy about the sort of rents they might be paying, they have got a way of actually trying to redress any issues.

I think there is a lot of misinformation about community housing, and I think some of the reason for that is that we are complex. So with public housing it is a big monolith, it has got one set of rules and that is the way it operates, and that is sort of easy enough to get your head around, but with our members we have got people who grew up from all sorts of different positions. You have got some that focus on women, some that focus on disability, and so you get a whole lot of different arrangements they have grown up to, which is fantastic for diversity and for meeting the needs of people, but not easy to try and explain.

Ms SPRINGLE — Is there material that you could give?

Ms DREDGE — Absolutely.

Ms SPRINGLE — I think Ms Crozier is right in that we cannot come to a balanced, substantive outcome in this inquiry if we do not understand what we are looking at. So is there a way that you can send us some stuff to educate us about community housing?

Ms DREDGE — Absolutely, yes. But can I just pick up on one point that was raised. While I would love it if we managed all the housing, we are not aiming to do that. We think there is absolutely a role for public housing, but we think that we have got something to offer in some of these redevelopments. That is really what I was trying to say.

Ms SPRINGLE — So would you think that a combination of community and public housing in these renewal projects would be an appropriate mix?

Ms DREDGE — Sure.

Ms SPRINGLE — And I just have one last one. I guess leading on from that, if this were to go ahead and it is a mix — it is obviously a mix of private and public or community and social housing or whatever you want to call it — that would require a land sell-off obviously to private investors. How would that impact on addressing the public housing waiting list moving into the future if we are selling land off that we could be using for public housing?

Ms DREDGE — I would love to have all of the facts around what the plans are for each of those sites so I could answer that a little bit better.

Ms CROZIER — We need the department here.

Ms DREDGE — Yes, have you had the department yet?

Ms SPRINGLE — Not in a formal hearing, no, we have not.

Ms DREDGE — Right. With some of those sites we think it is absolutely appropriate that some of it gets sold off, not only because it will make some money out of it that will offset the costs, but also mixing communities, we think, is a really good idea. When we are talking about where these sites are located, they are not in your outer suburbs, where it is highly unusual to see a multistorey building. They are in the inner to middle suburbs. It is an appropriate sort of accommodation, and one of our fears is that public housing will be developed over time in places where it is cheapest to do so. So you will have people living in the outer suburbs who have got no access to jobs and got no access to health services or transport and so on.

Ms SPRINGLE — But wouldn’t that be an argument for actually building 100 per cent public housing on these sites?

Ms DREDGE — Not 100 per cent, because I think the density would be too much.

Ms SPRINGLE — Or a much higher proportion of what we are looking at now?

Ms DREDGE — Absolutely higher. But how do we pay for it first? I do not know how the figures stack up. We did some figures ourselves quite a few years ago when we put a proposal to government — that was under the previous government — about how we could redevelop some of the sites. Some happened to be the same. And to make it stack up financially, we figured that you had to sell off probably about 50 to 60 per cent of the properties. So really it is quite high to do it, but we have ended up putting a lot more —

Ms SPRINGLE — But then what happens?

Ms CROZIER — I think that was the point we had in the previous hearing when I asked a number of —

Ms PATTEN — That is right. Where is that sweet spot?

Ms CROZIER — You may not have been here with Professor Raisbeck.

Ms SPRINGLE — No, I missed the first bit of that.

Ms CROZIER — So we asked that question. I asked exactly that question because of the market the way it is and the land prices and what property is bringing. Should we be getting better value, if you like, for the asset and then building more somewhere else to cater for the growing demand that is there?

Ms DREDGE — I do not know what the plans of the department are in this, but just say, for example, that you are replacing the existing stock, that you have got your uplift of 10 per cent and that you have got whatever proportion of private that they decide to put on the site. They sell those off, and if they end up with cash at the end, from where I sit I think it makes sense that they are going to go out and actually put some in another area. As long as that happens then that is okay. But overall, without knowing these figures, it is really hard to be definitive about it.

Mr MULINO — Can I just ask a follow-up on that question? I just want to go back to the conceptual point about the fact that you started off by saying, ‘We need a significant increase in the stock’. That has proved to be difficult under a whole range of previous governments in the past fundamentally because of budget constraints, which is one of the key constraints. So it is this mixed use and the sale of some land that helps you to unlock some of that budget constraint. If you look at what is being proposed here in terms of the numbers, it is a significant increase compared to what has been bitten off in the past. Is that a fair assessment?

Ms DREDGE — I do not know if that is. Maybe it would be a good chance now to talk about Ashwood Chadstone, because that is a case study of a redeveloped —

Ms HOMA EI — Thank you for that. The Ashwood Chadstone gateway project is I think one of the largest public housing redevelopments that has happened in the past so many years — 10 or 20 years at least that I know of. This was part of the Nation Building Program of course. In a nutshell, six public housing sites were tendered. The Port Phillip Housing Association was the successful tenderer, and the sites were transferred to the association. The Port Phillip Housing Association went in as the developer itself. We did of course subcontract it, but we managed the whole redevelopment.

The result of that was 282 units. Out of the 282 units we had to sell 72 to private to fund the development. We kept 210 units. Originally on the six sites there were, I think, 86 public housing units and we ended up with 210 units of social affordable housing on the site in four different buildings. In one of the buildings 93 units are allocated and designed to house older people, for example. Out of the whole 210 we have 75 that are disability modified or ready to be modified, so we can accommodate people hopefully later on, linking with the NDIS.

What made it different and really successful was the initial community consultation. It was a difficult process, because with increasing from 86 public housing units in the area, the residents had a lot of concerns, rightly, that they were going to have 200 or 300 social housing units in the area and it would turn the place upside down. So there was a lot of community consultation in partnership with the department and education sessions, talking to residents and assuring them about the processes and also seeking feedback, which we took into account with the design so it could blend into the community and is acceptable for the residents and the community.

Some of the ideas that were taken into account were, for example, creating a communal garden at the front of the buildings which is accessible to all communities, not just our tenants, and consulting with residents to see what sorts of things they wanted to see. So there are parks and facilities for children to play and also an orchard,

which is a community orchard, so people come and plant and use the facility. We also took into account the safety of the area and increased the lighting, for example, in the street, making the alleyways safer. So this was the type of feedback that came from the residents and concerns that came from the residents about the green area, safety and security.

Other parts were about the connection with the residents. So we have an office based at the bottom of one of the buildings there, which is manned every single day. Having the place managed and being able to address any issues on site has made a huge difference versus having a head office somewhere far away, and when residents have a complaint or an issue they have to travel or contact someone and wait for days to get a response. This office is manned all the time during office hours, and people can just go and talk to someone.

We have also created in partnership with all the support services in the area the provision of ongoing services to our tenants. We are running mental health sessions for families, and we are running employment sessions for job seekers, which includes resume writing and interview skills. They have all been funded by different support partners, but we facilitate the connection between our residents and the support services, and it has resulted in a lot of good stories and good outcomes. We feature as much as we can in our annual report.

Also we have a social enterprise coffee shop at the ground level, which we provide free to the school of hospitality. They train some of our residents in managing coffee shops, and they get a certificate to then be able to seek employment. There are all different programs that we are running on site that differentiates us from what public housing alone would have achieved. The funding for that comes from rent, so every dollar that is generated, because of the community, goes back into providing services to the area.

Recently I met with the City of Monash about how the program is going, because initially they had concerns about the management of it and the impact on the area. They are quite happy. Their community development officer is in touch with our community development officer, and they are very pleased with the calibre and the outcomes of the services we have delivered together.

I would like to share this with you, and it was in our submission, just as an example of the many developments that housing associations have delivered in the past 10 or 20 years. Because we are in it, as Lesley alluded to before, for the long term — we are not in it to make a profit and sell it or get a negative gearing gain or anything like that — we need to look after it, so the design is important, the community consultation is important and the success stories are important. We want to grow and we want to be there to grow.

In order to do that I need to be able to work with the community so that if another project comes up in the City of Monash, the residents support us more rather than saying, for example, all the criminals are housed in the properties — all the stereotype stories that they sort of spread around. So it is important for every one of us to work with local communities. That is one of the biggest advantages, I guess, that the sector can bring to the table in these developments of the sites that private cannot deliver.

Ms PATTEN — That is great, and thank you for that story. I was interested in the numbers. When you are looking at 282 units, 72 are privatised, leaving 210 as social housing. So that is quite a different mix, isn't it? So this is like 25 per cent private, 75 per cent social community.

Ms DREDGE — Yes, that is the funding.

Ms PATTEN — You were saying earlier, 'We probably need a 50 or 60 per cent mix. How has this this worked with such a small privatisation component?'

Ms HOMA EI — I can explain that, and thanks for the question, Ms Patten. What happened is that this project was done during the nation building period of time. So there was a huge investment from government into these projects. So 75 per cent of the funding to develop this project came from government.

Ms PATTEN — Okay, right. So it was subsidised.

Ms HOMA EI — So it is all about equity. Exactly. We generally can borrow. Depending on the income we can generate, you can borrow. And in these nation building projects, as a rule of thumb we borrowed about 25 per cent of every project, which applies to Ashwood as well. But 75 per cent of our capital funding came from the federal and state governments.

Ms SPRINGLE — Could you just confirm that you were talking about a site in Monash?

Ms DREDGE — Yes.

Ms SPRINGLE — Whereabouts is that one?

Ms DREDGE — Warrigal Road, near the TAFE — across the road from the TAFE. The Ashwood Chadstone Gateway Project. You have probably driven past it lots of times.

Ms CROZIER — So that was the one that got completed a few years ago?

Ms DREDGE — Yes, in 2013 it was completed.

Ms CROZIER — In 2013. Yes, I know that one well. You mentioned the NDIS. Is there an issue with the delay of the NDIS rollout in some of these areas? Do you see that as being an issue for your organisation or people that are needing —?

Ms HOMA EI — We are very engaged in that space and participating in every opportunity that is available through the government and also support services that are involved in that. The delay of course is frustrating, but the sector is ready to participate. Each one of our associations are at different stages in what role they can or they might be able to play in the NDIS space. Some of us are focusing on disability. As was mentioned before, we do have specialised community housing providers as well. Some specialise in the disability area more than the others.

Ms CROZIER — You are saying you are ready, but what is the impact of the delay?

Ms HOMA EI — The impact of the delay — well, we have to self-fund if we have to do modifications to any of our properties. That sort of adds to the cost of development. I will give you an example. There is a project that my organisation is working on at the moment. We have proposed to include 10 units, as part of NDIS, available for SDA. That of course helps with the funding of the project, if you can secure the 10 SDA packages for those properties. But if it does not, you may have to reduce the number from 10 to seven or six or how many you can afford.

Ms CROZIER — So it is quite a significant impact then?

Ms HOMA EI — It is, yes.

Ms DREDGE — But it is actually new money, though, which is a bit exciting for our sector. But when you look at it, of the people who are eligible for NDIS only 6 per cent will be eligible for the SDA, which is the accommodation part of it. So there are 94 per cent that are not, and lots of those 94 per cent will be looking to live in community and public housing.

Ms CROZIER — That is quite an interesting point. In terms of the new funding through the NDIS for those 6 per cent, that will assist you.

Ms DREDGE — It could, and that is why I think it is exciting in the redevelopments, because in the redevelopments you can start thinking creatively about what you can actually package together. So you can start thinking about SDA going in there. The one that is close to my heart — anyway, you do not want to know why — is adults with Down syndrome. A lot of families do not want to release them into the wilds of just apartment buildings. But if it is a building where there is place management there is always somebody around. They might very well buy in to places like that. So I think you can do some really exciting things if you have the right people around the table trying to work out what could actually be delivered in these. There are some great possibilities.

Ms PATTEN — Just going back to the Port Melbourne example, what percentage of your rent or what percentage of your income is spent on the management of the place, not so much the maintenance but more having 24/7 resources?

Ms HOMA EI — It is not 24/7; it is office hours. My organisation runs the properties that we have got. We own and manage over 1100 properties across six municipalities. City of Monash is one of them, but we have

three offices. The main office is in St Kilda in Port Phillip. One is in Ashwood Chadstone, so at the bottom of the building. The other one is in Flemington. So we try to use this same model everywhere we go where we develop and we reach a certain size to actually create that sub-office to be able to provide that place management for tenancies. Cost wise, we basically do not separate Ashwood Chadstone from the rest of the program. Overall I think, as with many other organisations, 25 per cent of the development cost is allocated to the back office, including maintenance and everything else. Because we are a not-for-profit organisation, we do not look at bottom line as a profit because whatever income we generate goes back into developing more properties. That is again a safe way of looking at public investment because it does not go into shareholders or anyone's profit bucket. It basically comes back into developing more affordable housing.

The CHAIR — You mentioned at the outset that your organisations have some 19 000 units. Could you just give us a bit of a sense of where they are and how they are structured, if it can be summarised neatly? I know there are many, many different dwellings and they have quite different focuses and so on, but particularly in terms of where they are throughout the state.

Ms DREDGE — They are all over the state. We have got members who have got properties all over the state and they range from, down at the crisis end, some crisis accommodation, rooming houses and so on through to transitional housing, where it is a slightly longer tenure to assist people then to work out their lives a bit before they move on to something more permanent, through to just standalone properties wherever they might be, like any other property in the street, to high-rise — right through, the whole gamut. We are everywhere.

Ms HOMA EI — But what might help is that we have 43, I think, registered housing providers in Victoria. Out of those we have got nine which are called housing associations and those are again supported to be more of a developer and tenancy managers versus the rest of the group that are more tenancy managers or crisis providers. So there is a bit of diversity in the numbers as well, but the housing associations are mainly the ones that can own, develop and tenancy-manage properties.

Ms SPRINGLE — I do have one more question. We heard some people talk about integrated sites — the public and private combination, but not segmented out. That is not necessarily what we have seen in some of the other developments like Carlton. Have you been given any guarantee that it will be integrated and what the design will be like?

Ms DREDGE — No, sorry.

The CHAIR — Are there any further questions? Is there anything further that you wanted to raise with us?

Ms DREDGE — Just that you were interested in some more information about community housing. We have got a *Community Housing Explained* booklet, because it is so complicated, that we will send out to you. If you have got any more queries just about community housing, we would be more than happy to answer them. We are hoping that one of our members will be knocking on your doors very soon to educate you even further. We have got them all lined up, travelling around the state. Thank you very much for your time.

The CHAIR — Thank you very much for that. You will be provided with a draft of your written statements here today for checking within a few weeks.

Ms HOMA EI — Thank you very much.

Witnesses withdrew.